



**COMMONWEALTH OF VIRGINIA  
DEPARTMENT OF MEDICAL ASSISTANCE SERVICES**

**APPEAL DECISION SUMMARY**

**APPEAL No:** 2010-2514

**DATE:** November 24, 2010

**OUTCOME:** (check one)

  X   SUSTAINED           REVERSED           REMANDED  
       INVALID/FULL  
       SUSTAINED and REMANDED  
       REVERSED and REMANDED  
       AGENCY ERROR/OTHER

**ISSUE ON APPEAL:**                      Eligibility – ABD –excess resources

**GENERAL RULE OF LAW:**    Standards for resource eligibility

1. United States Code, 42 U.S.C. § 1396a(a)(17)(B) requires a state plan for medical assistance to include:

reasonable standards . . . for determining eligibility for and the extent of medical assistance under the plan which . . . (B) provide for taking into account only such income and resources as are . . . available to the applicant or recipient.
2. The State plan must specify that . . . in determining financial eligibility of individuals, the agency will apply the cash assistance financial methodologies and requirements, unless the agency chooses to apply less restrictive allowable income and resource methodologies. If the agency chooses to apply less restrictive income and resource methodologies, the State plan must specify the less restrictive methodologies that will be used, and the eligibility groups to which the less restrictive methodologies will be applied. Code of Federal Regulations, 42 CFR §435.601, (f).
3. As a program based on need, Medicaid uses the value of a person's countable resources as one of two financial criteria in determining eligibility. The other criterion is income. Medicaid Manual, Volume XIII, M1110.001, A (p. 1).
4. Eligibility with respect to resources is a determination made for each calendar month, beginning with the third month prior to the month in which the application is received. Resource eligibility exists for the full month if countable resources were at or below the applicable resource limit for any part of the month. Medicaid Manual, Volume XIII, M1110.001, B, 1 (p. 1).

5. Resources are cash and any other personal or real property that an individual owns, or has the power to convert to cash and is not legally restricted from using for his support and maintenance. Medicaid Manual, Volume XIII, S1110.100, B, 1, (p. 3).
6. Liquid resources are any resources in the form of cash or in any other form which can be converted to cash within 20 workdays. Absent evidence to the contrary, we assume that checking and savings accounts are liquid resources. Medicaid Manual, Volume XIII, S1110.300, A, 1, (p. 8); S1110.305, B, 1, (p. 8).
7. The eligibility worker must verify the value of all countable, non-excluded resources. Medicaid Manual, Volume XIII, M0130.200, H (p. 8).
8. The countable value of a bank account is the lower of the balance before income is added, or the ending balance minus any income added during the month. Funds cannot be both income and a resource in the same month. Income that has been added to a bank account during the month must be subtracted from the ending balance to ensure that the income is not also counted as a resource. Medicaid Manual, Volume XIII, M1110.600, B, 3 (p. 18); M1140.200, B, 5 (p. 18).
9. The value of any asset that meets the definition of a resource counts against the applicable resource limit, unless otherwise excluded. Medicaid Manual, Volume XIII, S1110.200 (p. 6).
10. The retroactive period is the three months immediately prior to the application month. An application for Medicaid is automatically an application for retroactive Medicaid coverage whenever the applicant reports that he received a Medicaid-covered service during the retroactive period. Eligibility for retroactive coverage is evaluated at the same time as ongoing eligibility is evaluated, using the same application. Nonfinancial, resource, and income eligibility must be evaluated for each month during the retroactive period. Do not determine eligibility for a retroactive month that was included in a previous Medicaid coverage period; the applicant has already received Medicaid for that month. Medicaid Manual, Volume XIII, M1510.101 B (pp. 1-2); M1510.101, C, 1 (p. 2); M1510.101, D (p. 2).
11. When an applicant reports that he received a medical service within the retroactive period, evaluate Medicaid eligibility for that period. Resource eligibility is evaluated for each month using resources available during that month. An individual cannot retroactively reduce resources. If countable resources exceeded the resource limit throughout a retroactive month, the individual is not eligible for that month. However, if an applicant reduces excess resources within a retroactive month, he may be eligible in the month in which the value of his resources is reduced to or below the Medicaid resource limit. Medicaid Manual, Volume XIII, M1460.520, A, B (p. 18a).
12. If the applicant had excess resources during part of the retroactive period, retroactive resource eligibility exists only in the month(s) during which the resources were at or below the limit at any time within the month. The applicant's eligibility must be denied for the month(s) during which excess resources existed during the entire month. Medicaid Manual, Volume XIII, M1510.101, F (p. 4).

13. An applicant who reduces excess resources during the month of application or a subsequent month before action is taken on the application may become eligible in the month in which the value of his resources is reduced to, or below, the Medicaid resource limit. In order to reduce resources, the resources must actually be expended and the expenditure documented. (For example: a receipt, a canceled check, or a bank statement). When excess resources are reduced, entitlement to ongoing Medicaid may begin no earlier than the first day of the month in which the resources were reduced to the Medicaid limit. Medicaid Manual, Volume XIII, M1510.102, C (p. 8).
14. The resource limit for one person in the Categorically Needy, Categorically Needy Non-Money Payment, and Medically Needy covered groups is \$2,000. Medicaid Manual, Volume XIII, M1110.003, B, 2, (p. 2).
15. An individual with countable resources in excess of the applicable limit is not eligible for Medicaid. Medicaid Manual, Volume XIII, M1110.003, B, 1 (p. 2).

**AGENCY DECISION:** The hearing officer found in favor of the agency, based upon the following:

The Appellant applied for Medicaid coverage. The agency verified the resources, and determined that the Appellant's resources exceeded the Medicaid resource limit in the retroactive and ongoing months. Therefore, the local agency denied Medicaid coverage.

**APPLICABLE CITATIONS FOR ACTION:**

**United States Code**

42 U.S.C. §1396a (a)(17)(B)

**Code of Federal Regulations**

42 CFR §435.601, (f)

**Medicaid Manual, Volume XIII**

M0130.200, H (p. 8)

M1110.001, A (p. 1)

M1110.003, B, 1, 2, (p. 2)

M1110.100, B, 1, (p. 3)

S1110.200 (p. 6)

S1110.300, A, 1 (p. 8)

S1110.305, B, 1, (p. 8)

M1110.600, B, 3 (p. 18)

M1140.200, B, 5 (p. 18)

M1460.520, A, B (p. 18a)

M1510.101, B, C, 1, D, F (pp. 1-2, 4)

M1510.102, C (p. 8)